

Commonwealth of Kentucky  
Governor Ernie Fletcher's Communications Office

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**ANNUAL WORKERS' COMP FILING APPROVED**

*Report shows continued improvement in Kentucky's market*

FRANKFORT, Ky. – A filing most insurance carriers will use to develop rates for workers' compensation coverage shows another decrease in loss costs for 2007, Governor Ernie Fletcher announced today.

The filing, approved by the state Office of Insurance and effective Oct. 1, is by the National Council on Compensation Insurance Inc. (NCCI), an advisory organization that serves as the oldest provider of workers' compensation and employee injury data and statistics in the nation.

"We are encouraged to see the continuing improvement in the market," said Governor Fletcher. "This is good news for Kentucky employers since workers' compensation insurance is a large part of the cost of doing business. However, it's even better news for Kentucky's workforce since it shows a continuing trend of fewer workplace injuries."

Data collected from insurance carriers is used to develop loss costs, which is the average compensation for lost wages, based on the level of disability, plus medical benefit payments. Use of the information is voluntary but most workers' comp carriers use the NCCI loss cost values as a base to which the insurer's own loss adjustment and overhead expenses are added to arrive at the rates charged to Kentucky employers.

The loss cost figures show an average reduction of 6.1 percent for the 598 industrial classes used in Kentucky. These classes include manufacturing, office and clerical, contracting, and goods and services. For coal classes, underground mining costs dropped 8.5 percent while surface mining remains unchanged.

KOI is an agency of the Department of Public Protection in the Environmental and Public Protection Cabinet.

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